Message Text

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ORIGIN EA-14

INFO OCT-01 NEA-14 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 SAJ-01 DODE-00

PM-07 H-03 L-03 NSC-07 PA-04 PRS-01 SS-20 USIA-15

AF-10 ARA-16 EUR-25 /217 R

DRAFTED BY EA/ROC:JWMOYLE:EB/IFD/ODF:REBENEDICK:ARCK
APPROVED BY EA:LEDMOND
TREAS - GONZALEZ (INFO)
EA/ROC:RWSULLIVAN

----- 078207

R 071734Z JUN 74 FM SECSTATE WASHDC TO AMEMBASSY TAIPEI INFO AMCONSUL HONG KONG

USLO PEKING

AMEMBASSY TOKYO AMEMBASSY JIDDA

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E.O. 11652:GDS

TAGS: PFOR, EFIN, TW, CH, SA SUBJECT: CHIREP IN IMF/IBRD

- 1. ROC EMBASSY ECONOMIC MINISTER MARTIN WONG CALLED ON EA DEPUTY ASSISTANT SECRETARY EDMOND JUNE 3 TO CONVEY ROC POSITION ON CHIREP IN IMF/IBRD AND ASK FOR USG SUPPORT.
- 2. WONG BEGAN BY EMPHASIZING IMPORTANCE ROC ATTACHES TO ITS MEMBERSHIP IN IMF/IBRD. HE SAID ROC, AS MAJOR TRADING COUNTRY WITH IMPORTANT ECONOMIC RELATIONS WITH MOST IMF MEMBERS, WANTS VERY MUCH TO REMAIN A MEMBER OF INTERNATIONAL FINANCIAL COMMUNITY AND TO BE ASSOCIATED WITH IMF CONFIDENTIAL

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DELIBERATIONS ON MONETARY AND TRADE MATTERS. FURTHER,

ROC WISHES TO CONTINUE RECEIVING TECHNICAL ASSISTANCE FROM IBRD (EVEN THOUGH NO NEW CAPITAL LOANS HAVE BEEN GRANTED SINCE 1971). ROC BELIEVES THAT EXPULSION FROM IMF/IBRD WOULD ADVERSELY AFFECT ROC CREDITWORTHINESS IN PRIVATE FINANCIAL MARKETS, ON WHICH ROC NOW DEPENDS MORE THAN EVER

3. WONG NOTED THAT ROC HAD ALWAYS HAD THE ASSISTANCE OF SAUDI ARABIA IN THE PAST ON CHIREP IN IMF/IBRD AND HAD RECENTLY AGAIN APPROACHED SAUDIS ON SUBJECT. SAUDIS SAID THEY WERE PREPARED TO HELP BY TALKING TO LDCS AS WELL AS DEVELOPED COUNTRY FUND/BANK MEMBERS INCLUDING THE US.

WONG LAUGHINGLY HASTENED TO ADD THAT THE ROC NATURALLY SAW NO NEED TO REQUEST SAUDI INTERVENTION WITH USG. WONG SAID ROC WISHES USG ADVICE ON WHICH COUNTRIES SAUDIS SHOULD CONTACT AND WHAT STRATEGY SAUDIS SHOULD ENDORSE IN THESE CONTACTS BEFORE ROC RESPONDS TO SAUDIS.

- 4. ROC ASKS THAT U.S. SEEK SUPPORT OF SELECTED IMF/
 IBRD MEMBERS PRIOR TO SEPTEMBER ANNUAL MEETING FOR FOLLOWING POSITIONS: (A) STATUS QUO SHOULD BE MAINTAINED
 IN BANK AND FUND IN ABSENCE OF PRC INDICATION OF INTENTION
 TO PARTICIPATE, I.E. ROC MEMBERSHIP SHOULD NOT BE DISTURBED; (B) IF PRC INDICATES INTEREST IN PARTICIPATION,
 IT SHOULD BE REQUIRED TO FULFILL OBLIGATIONS OF MEMBERSHIP AND; (C) IN THE EVENT PRC MEETS CONDITIONS (A) AND
 (B), U.S. POSITION SHOULD BE THAT PRC PARTICIPATION SHOULD
 NOT BE AT THE EXPENSE OF THE ROC. IN LATER CLARIFICATION,
 WONG SAID THAT ROC WANTS USG TO SUPPORT CONTINUED ROC
 REPRESENTATION IN BANK AND FUND EVEN IF PRC PARTICIPATES.
- 5. WONG NOTED THAT TANZANIA, ALGERIA, AND PAKISTAN WERE COUNTRIES MOST LIKELY TO RAISE CHIREP ISSUE IN IMF/ IBRD. HE IMPLIED THAT SAUDIS MIGHT APPROACH ALGERIA AND SUGGESTED THAT IBRD PRESIDENT MCNAMARA MIGHT BE PERSUADED BY US AND OTHERS TO APPROACH TANZANIA. NO MENTION WAS MADE OF PAKISTAN ALTHOUGH WONG SUGGESTED IN LATER CONVERSATION THAT USG MIGHT APPROACH PAKISTAN.

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6. EDMOND REPLIED THAT WE WOULD CONSIDER ROC PROPOSED STRATEGY AND RESPOND AS SOON AS POSSIBLE. KISSINGER

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